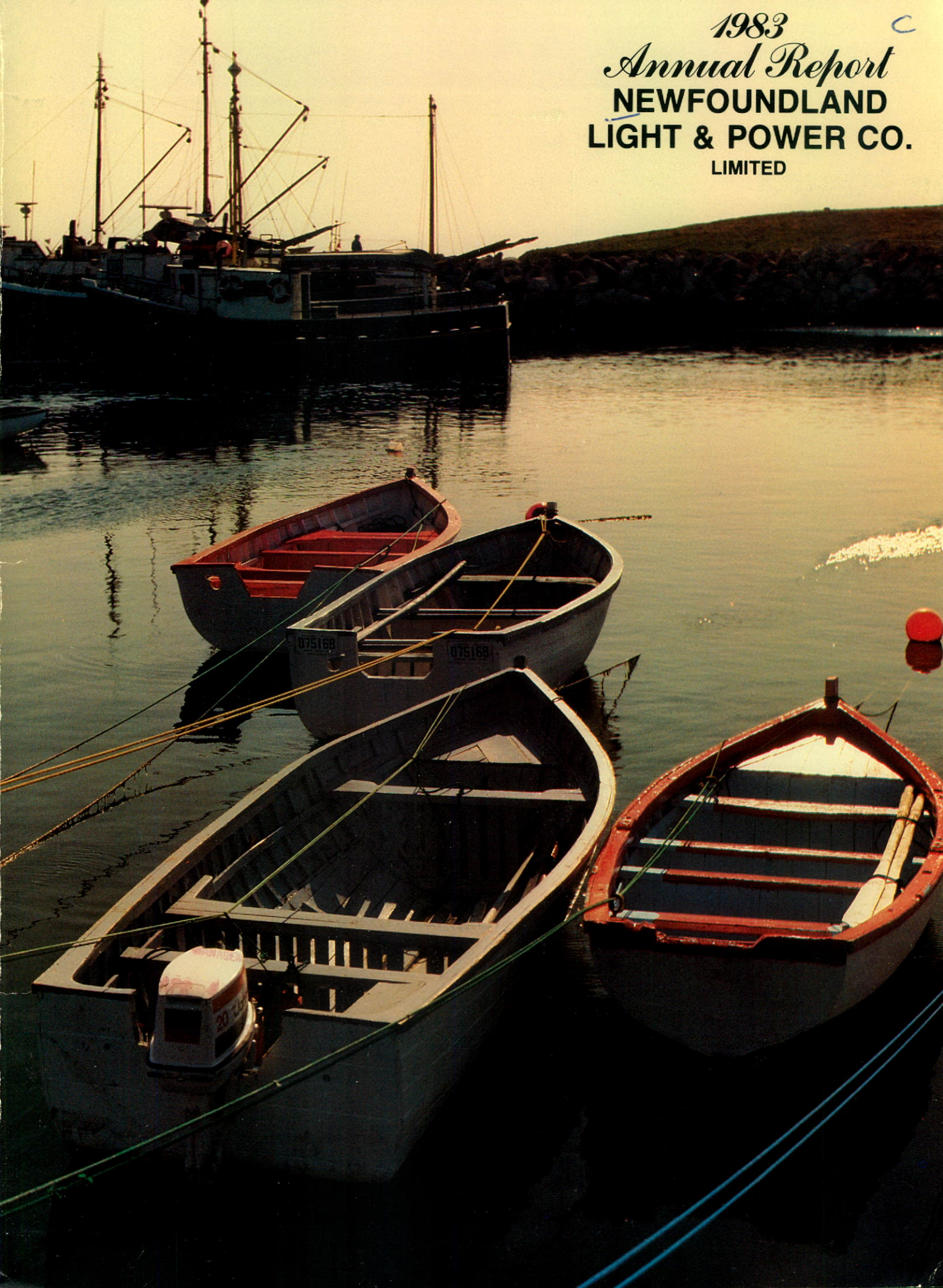


1983 C  
*Annual Report*  
**NEWFOUNDLAND  
LIGHT & POWER CO.  
LIMITED**



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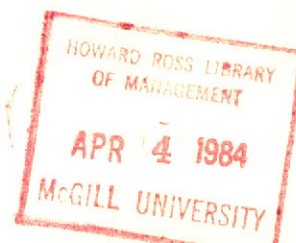
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## The Company

Newfoundland Light & Power Co. Limited and its predecessor Companies have been providing electricity in Newfoundland since the first electric lights were turned on in St. John's in 1885. The Company serves 165,000 customers in over 600 communities in Newfoundland and has over 1,000 employees and is fully regulated by the Newfoundland Board of Commissioners of Public Utilities. Since the present Company was incorporated in 1966, it has spent about \$322 million on capital works and its gross fixed assets (property, plant and equipment) at the end of 1982 were \$378 million. The Company operates thirty-one generating plants and maintains over 8,400 kilometres of distribution and transmission lines.

The Company serves a diversified market in which residential customers represent 56% of total sales. Over the past ten years, annual operating revenue has increased from \$34 to \$171 million. Approximately 87% of the Company's power supply is purchased from Newfoundland and Labrador Hydro with the balance being generated by its own plants.

The Company's common shares are traded on the Toronto and Montreal Exchanges and its preference shares of Series A, B, D, E, F and I are traded on the Montreal Exchange. Over 99% of common shares are held in Canada by about 6,300 shareholders.

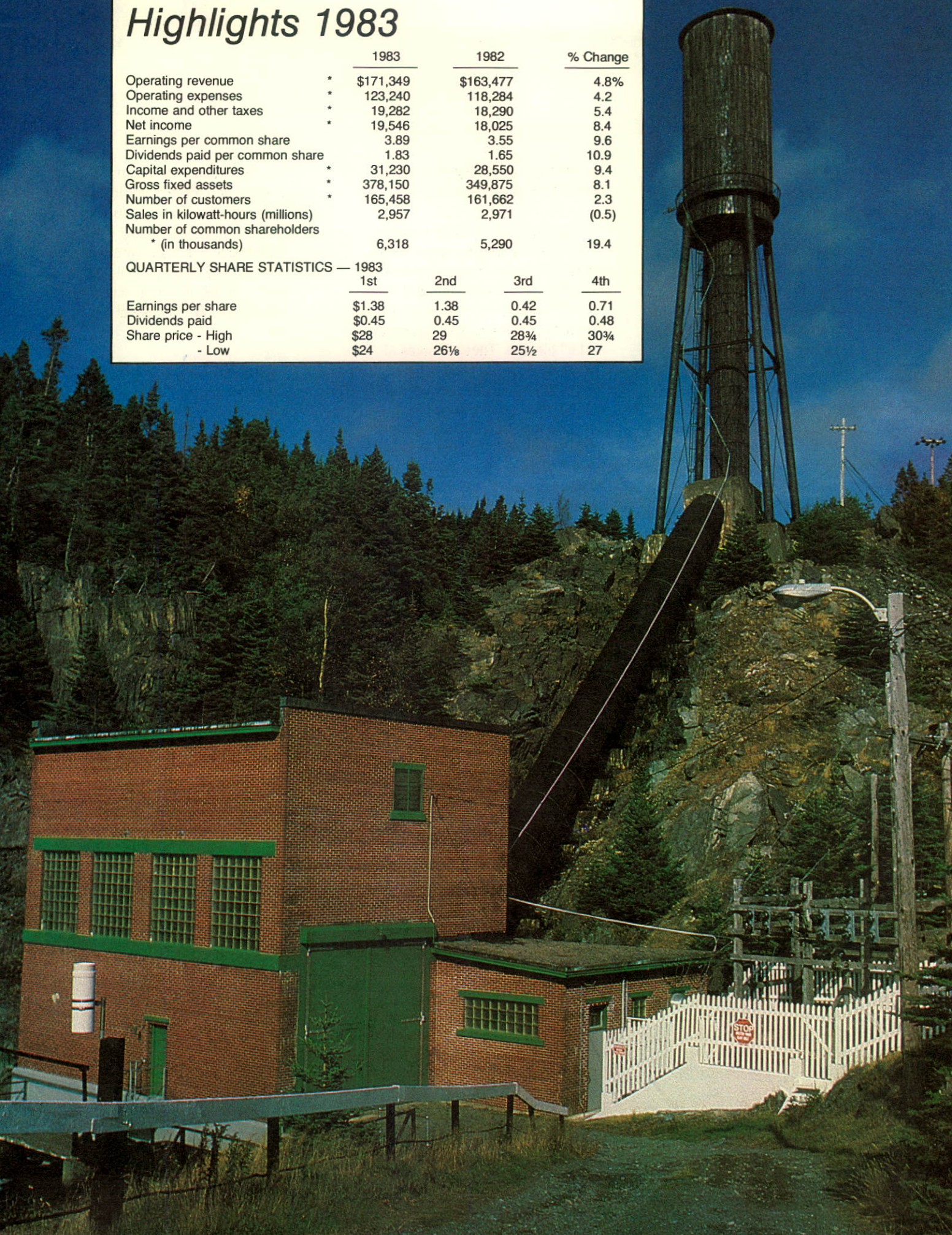


# Financial Highlights 1983

	1983	1982	% Change
Operating revenue *	\$171,349	\$163,477	4.8%
Operating expenses *	123,240	118,284	4.2
Income and other taxes *	19,282	18,290	5.4
Net income *	19,546	18,025	8.4
Earnings per common share	3.89	3.55	9.6
Dividends paid per common share	1.83	1.65	10.9
Capital expenditures *	31,230	28,550	9.4
Gross fixed assets *	378,150	349,875	8.1
Number of customers *	165,458	161,662	2.3
Sales in kilowatt-hours (millions)	2,957	2,971	(0.5)
Number of common shareholders * (in thousands)	6,318	5,290	19.4

## QUARTERLY SHARE STATISTICS — 1983

	1st	2nd	3rd	4th
Earnings per share	\$1.38	1.38	0.42	0.71
Dividends paid	\$0.45	0.45	0.45	0.48
Share price - High	\$28	29	28¾	30¾
- Low	\$24	26⅞	25½	27



# Report to the Shareholders

Earnings on common equity for 1983 showed an 11.7% increase over 1982 while shareholder investment increased by 12.4% during the year. The rate of return on common equity remained unchanged from 1982. Earnings per share were \$3.89, compared to the \$3.55 earned in 1982. Dividends declared on common shares, during 1983, were \$1.86 per share, an increase of 9.4% over those declared in 1982. A dividend of \$0.48 per share was declared for March 1984.

Operating revenues increased by 4.8% to \$171.3 million in 1983. This growth resulted from rate increases which were implemented on January 1 and August 1, 1983. Operating expenses grew by 4.2% to \$123.2 million. Increases in operating expenses were restrained to some degree by two factors: favourable weather conditions which kept repair costs due to storm damages at a minimum, and the success of an extensive cost control plan. These factors coupled with a load growth that was slightly above forecast meant that revenue was in excess of that required to produce a reasonable return on common equity. Consequently, the Board of Commissioners of Public Utilities ordered that \$1,475,000 of total revenue be set aside and used as partial revenue requirement in 1984.

Recent years have seen a major capital expenditure programme to enlarge the capacity of the Company's hydro electric system. In 1983 \$6.4 million was committed to this programme which is now close to completion. Capital expenditure on other items, such as expansion and improvement of the distribution system, was restrained by economic conditions and the cost control programme. The total expenditure

for 1983 was \$31.2 million compared to \$28.6 million in 1982.

Internally generated funds supplied 71% of the financing for capital expenditure. The balance was raised externally through increases in bank loans and common equity investment plans available to shareholders, customers and employees. These sources included the new Customer Share Purchase Plan, the first in Canada to operate on a continuous basis. It is available to customers, resident in the province, and in the first year added in excess of 1100 new common shareholders and almost \$890,000 to common equity. The contribution of \$2.5 million from all these plans is set out in the Financial Review.

A lack of work due to restricted capital expenditures resulted in the lay-off of staff for a few months early in the year. Conditions have not significantly changed and this measure will have to be repeated to a lesser extent in 1984.

The company has historically followed the practice of paying income supplements to retired employees. The employees did not contribute to this arrangement and the cost of the supplements was charged to current operations. On April 1, 1984 the Company will institute a funded, contributory retirement income plan. This plan will provide improved benefits for employees and limit and ultimately extinguish the Company's unfunded liability for pensions.

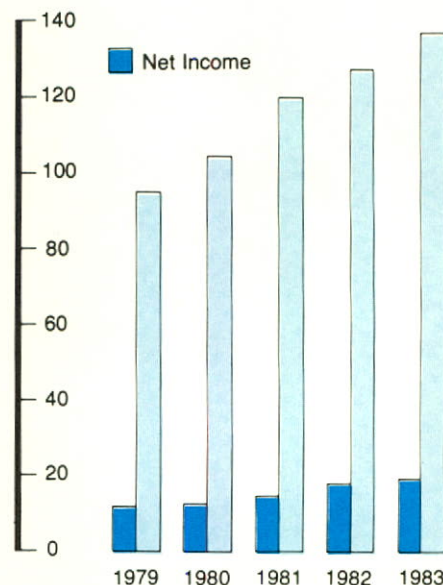
During the recent past there has been a declining trend in the growth of weather-adjusted kilowatt hours sold. This trend appears to have reversed and in 1983 there was a positive growth rate of 3.4%. Increased hous-

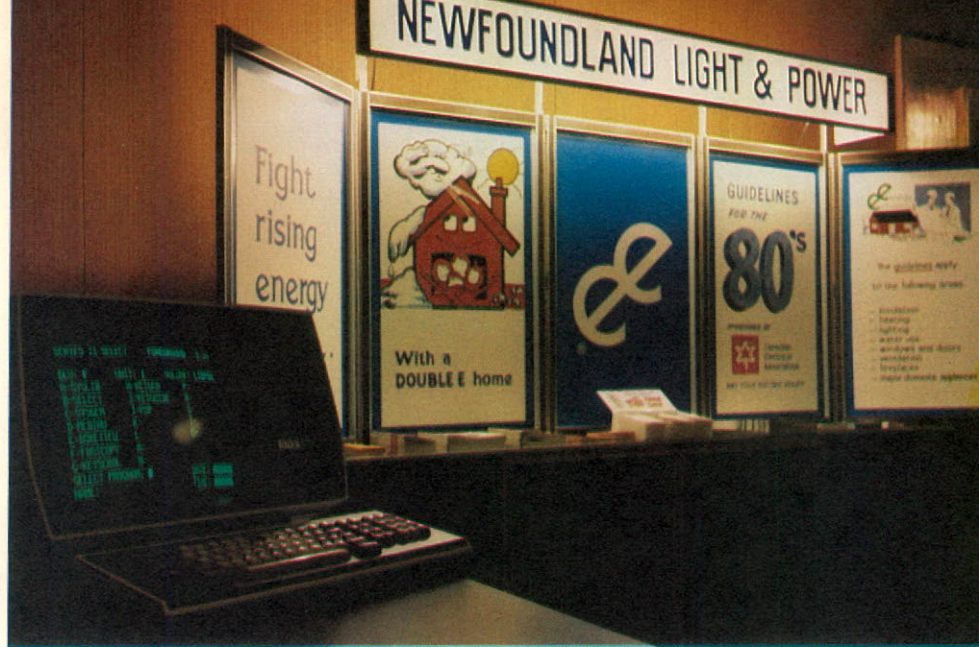
ing starts coupled with continued high levels of new electric heat installations were mainly responsible for this improvement. The Company anticipates a continued moderate growth in sales however this is dependent on the recovery of the provincial economy which is facing a number of uncertainties.

Total investment, both private and public, within the Province during the year was approximately \$2.1 billion, compared with \$1.9 billion in 1982. Nonetheless, the Provincial economy continued in the grip of the recession that affected it in 1982. The unemployment rate increased from 16.8% in 1982 to 18.8% in 1983, however the rate of inflation in Newfoundland decreased from 10.0% to 6.8%.

Off-shore oil exploration and work on the delineation of the Hibernia field continued. Reserves at Hibernia are

## SHAREHOLDERS INVESTMENT (Millions of Dollars)





*The wise and efficient use of energy is the theme of this display used at public service presentations throughout the province.*

now estimated by various sources to be upwards of 1.2 billion barrels. The number of exploration rigs working off-shore increased to eight in 1983. Activities have now progressed to the early stages of the development phase which will lead eventually to oil production. Total expenditures on oil exploration are forecasted to be about \$600 million during 1984. However, significant impact on the economy of the Province, now that the Supreme Court has made a decision, will have to await the development and production plans of the oil companies.

The real value of the output of the mining industry remained at a low level, mainly as a result of reduced production at the iron ore mines in Labrador. The output during 1983 exceeded 1982 by 5.7% while 1982 was 40% lower than 1981. The asbestos mine in Baie Verte was reopened under new management and shipments resumed during the year. The outlook for the industry in 1984 is still uncertain but present forecasts predict an increase of 11.2% in real terms in the value of mineral production.

The permanent shutdown of one paper machine and the temporary shutdown of others limited the increase in the real value of pulp and paper production to 2.4% during 1983. The forecast for 1984's production shows an 8.4% increase. This will depend on the fate of the mill at Corner Brook in view of the announced intention of the Bowater Paper Company to either sell or close the mill by the end of 1984.

The real value of production in the fishing industry decreased by 11.0% from that of 1982. Depressed market conditions and a heavy debt burden

plagued the industry throughout the year. An increase of 1.2% in the real value of production is forecast for 1984 with some strengthening in markets. The Federal government inquiry into the east coast fishing industry highlighted its problems and the reorganization of the fishing companies should establish financial stability, improve quality control and result in more effective marketing.

An improvement in the Provincial economy would increase the rate of growth of electricity sold. The Company is concerned that after the Cat Arm hydro-electric development is completed in 1985, the bulk of such load growth may have to be supplied by oil fired generation. If oil prices rise as projected this would expose customers to continuous cost increases in the future. A presentation to the MacDonald Commission expressed this concern and urged the early development of the hydro-electric resources of Labrador together with access to them by the island portion of the Province.

The Company was involved in several hearings before the Board of Commissioners of Public Utilities during 1983. The most significant of these dealt with a referral by Newfoundland and Labrador Hydro to increase its rates to the Company and a subsequent application by the Company to raise rates by 7.9% to flow these additional costs

through to customers. If operating and financial conditions remain unchanged the Company hopes to postpone until late 1984 an application to the Board for an increase in customer rates effective in 1985.

Mr. A. D. Cameron resigned as Deputy Chairman on December 31, 1983 but remains as a Director. The Directors wish to express their appreciation for his years of service as an officer of the Company.

The difficult economic conditions of 1983 and the severe measures which had to be instituted to keep electric power rates as low as possible, presented challenges to management and staff to maintain and improve the Company's productivity. Your directors wish to record their sincere appreciation for the initiative, dedication and cooperation.

Submitted on behalf of the Board:

A. Bailey  
Chairman of the Board

D. S. Templeton  
President

# Operations Report

## Customer Services and Distribution

Actual kilowatt-hour sales in 1983 were 2957 million kilowatt hours, 0.5% lower than 1982. Since space heating is a large component of total load, sales are sensitive to temperature variation. When both years are adjusted for normal weather conditions, the 1983 sales show an increase of 3.4% over 1982. This compares with a decline of 0.2% in 1982. The improved load growth occurred mainly in the residential sector due to increased activity in housing construction. General Service loads showed little improvement except for the reactivation of several large industrial loads. Problems in the mining and fishing industries continued to impede growth. The load growth in 1984 is expected to continue at the 1983 level.

During the year the number of customers served increased by 2.5% in the residential class and 1.7% in the other classes for an overall gain of 2.3%. The Company's expanded program of extending electric service to summer cottage areas resulted in service being made available to 730 potential customers throughout the service area. The total number of customers at year end was 165,458.

Customer usage continues to be affected by increasing rates and energy conservation measures promoted by the Company and governments. While the decline in average use of domestic all-electric customers continued, the increase in the average use for other domestic customers was sustained.

Electric service costs to consumers were affected on January 1 by a general rate increase and on August 1 by an increase to pass through the cost of an increase in the wholesale rate for energy for Newfoundland and Labrador Hydro. Average revenue per kilowatt-hour, including fuel charges, in 1983 increased by 6.5%, the lowest annual increase in ten years. Fuel adjustment charges were slightly below the 1982 level as a result of additional hydro capacity and above average rainfall.

Electric heating, which constituted 39% of total load was the choice for 62% of new residences constructed during the year and 1038 existing domestic customers converted to electric heat. At year end approximately 40% of all households in the service area were using electricity as the principle means of heating, compared to 36% in 1982. Most non-residential buildings connected during 1983 were electrically heated.

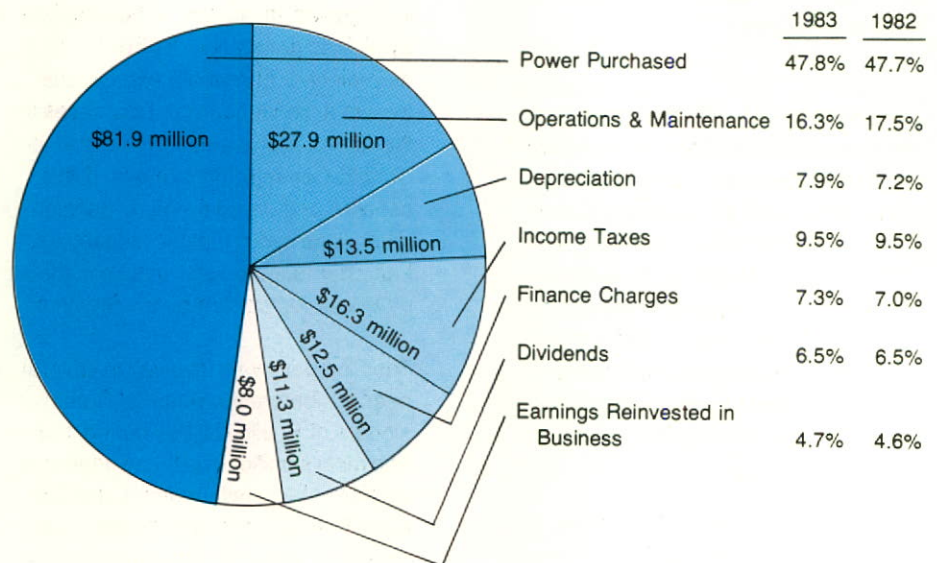
## Power Supply

Energy produced and purchased in 1983 was 3153 million kilowatt hours. The Company produced 12.6% with its own generating facilities and 87.4% was purchased from Newfoundland and Labrador Hydro which included 6.5% of secondary energy from Bowater Power Company Limited. Total produced and purchased for the year was 89% from hydro-electric sources and the balance from thermal generation.

Precipitation for 1983 was 10% higher than average. This enabled the Company's hydro plants to produce 5.3% more energy than normal even though units at Lawn and Topsail were out of service for replacement.

The system peak for 1983 occurred on January 3 at 757 MW which was slightly higher than the 1982 peak of 748 MW.

## DISTRIBUTION OF REVENUE



The Company continued to use secondary energy from the hydro-electric plants of Bowater Power Company. After negotiations between Bowater Power and the Company a revised formula for the price of this energy was given approval by the Board of Commissioners of Public Utilities. The new formula results in further savings to the Company's customers.



*An innovative "rock-mount", designed to solve pole erection problems across extremely rocky terrain.*

The increased efficiency and capacity resulting from the new units at Lawn, Topsail and Lookout Brook together with the new hydro plant at Morris are expected to supply an additional 15 million kilowatt hours during a year of normal precipitation.

### Capital

Total expenditures for the year were \$31.2 million as compared with \$28.6 million in the previous year. A major portion of the expenditure was attributable to upgrading hydro-electric facilities.

The expenditure of \$16.5 million on the distribution system accounted for 52.9% of the capital program. These funds were necessary to extend the system to serve new customers and improve voltage and reliability to existing customers.

The Company commissioned its first new hydro generation source in over 20 years when the 1,100 kW generator at Morris on the Mobile watershed south of St. John's came on line in December, on schedule and under budget.

The hydro units in the Lawn plant on the Burin Peninsula were replaced with a 650 kW unit which doubled plant capacity. A new unit was installed at

Topsail increasing plant capacity by 1,000 kW. Commissioning is being carried out on a 2,650 kW unit at Lookout Brook near Stephenville which will replace two 1,300 kW units and permit plant automation. Dams were rebuilt on the Victoria, Fall Pond and Lookout Brook watersheds during the year. Altogether \$6.4 million was spent on hydro projects in 1983.

The cost of projects to increase hydro capacity are eligible for accelerated tax write-off under a federal government incentive program to encourage the development of small hydro generation resources. The Company has made representation to the federal government to extend this program which is due to end in 1984. Studies are being carried out to assess other hydro sites which may be suitable for development should the program be extended.

The reliability of the transmission system was enhanced during 1983 with the completion of circuits between Virginia Waters and Pepperrell substations in St. John's and between Bayview and Humber substations in Corner Brook. The system was extended 25 km beyond Port aux Basques to Burnt Islands using an innovative "rock-mount" design developed by

the Transmission Department which allowed pole installation without blasting in rock encountered on over 80% of the route. New substations were installed at Grand Bay near Port aux Basques and at Long Lake near Burnt Islands to connect the new transmission circuit with the distribution system. The SCADA (system control and data acquisition) system was installed in the new control center in St. John's and by year end some plants and substations could be operated from this location. When this work is complete the power system on the Avalon Peninsula will be more effectively controlled and this should improve customer service.

The first phase of upgrading the communications system was completed with installation of a new antenna tower and repeater in St. John's and new equipment in Stephenville and Port aux Basques. Further work is planned on the mobile units in these areas during 1984 as well as on the radio system in Central Newfoundland. These measures will improve the Company's efficiency and ability to respond to customer problems.

The Company's 1984 capital budget of \$33.1 million has been approved by the Board of Commissioners of Public Utilities.

**Staff**

As a result of the continuing depressed state of the economy 100 employees were temporarily laid off during early 1983. All were re-employed at the start of the construction season in May and were in part assigned to transmission and distribution projects normally carried out by contractors.

To more closely match the staffing level to the work load the Company offered an Enhanced Early Retirement Program. A total of 55 employees accepted the offer and will be retiring in January and February 1984. At year-end the Company had 1008 permanent employees, a decrease of eleven from 1982.

Collective agreements were negotiated with both the Technical and Clerical Association and Local 1620 IBEW. The agreement with the Association will expire on June 30, 1984 and that with the Union on September 30, 1984.

Employees continue to maintain a high standard of safety. During 1983 one operating area completed five years without a lost time accident while another achieved three years and a third reached one year injury free.

The Company encourages training and ongoing education among its employees. Approximately 600 employees participated in training or educational programs during 1983.

**Cost Control**

The expenditure control programme initiated in 1982 continued under the direction of a senior management committee during 1983. The programme set targets in a large number of expenditure control areas and progress was periodically reported

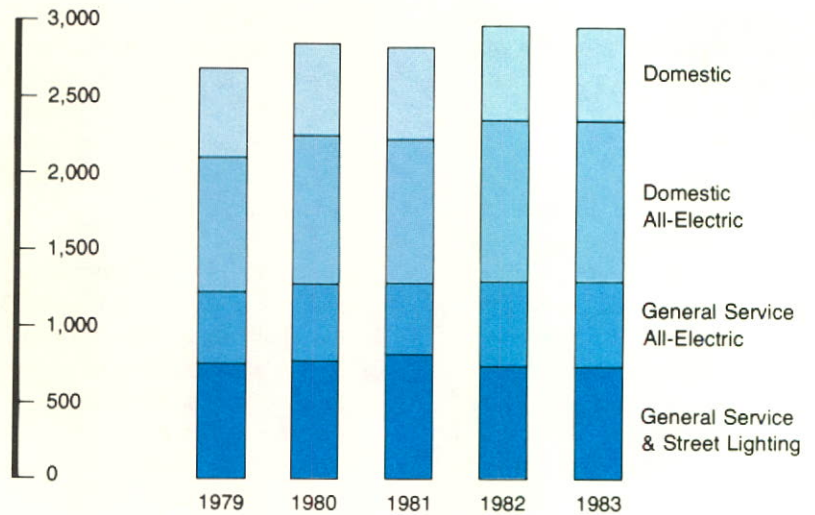


*The 1,100 kW Morris Development located south of St. John's is the first new hydro energy source built by the Company in twenty years.*

throughout the Company. The success achieved was due in large measure to employee support and their ability to adapt to changing circumstances. There was a decline in the growth of those expenses over which the Company has effective control. A specific

example of this was the reduction of person days of temporary employment. During the year the total of controllable expenses decreased by 2.1% as compared with an increase in this category of 10.9% in 1982.

**ENERGY SALES**  
(millions kWh)





# Regulation



Restored buildings in St. John's provide a backdrop against which trained personnel and modern equipment work.

The Board of Commissioners of Public Utilities of Newfoundland regulates the Company under The Public Utilities Act. The Board has jurisdiction over, among other things, rates, capital expenditures and the issue of securities. In exercising its jurisdiction over rates the Board is required to observe the policy declared by the Province in The Electrical Power Control Act. The primary purpose of this act is to provide for the regulation of the rates of Newfoundland and Labrador Hydro which supplies over 85% of the Company's power requirements.

In February 1983 Hydro referred a proposal to the Board to increase the rates charged to the Company. The Company intervened in the public hearing on this matter and on May 31 the Board submitted a report to the Government recommending a rate of 28.33 mills per kilowatt hour, an 18.2% increase, effective July 1, 1983. This recommendation was approved and following the Company's application and a public hearing the Board issued an order approving an average rate increase to consumers of 7.93% effective August 1, 1983 to offset the increased cost.

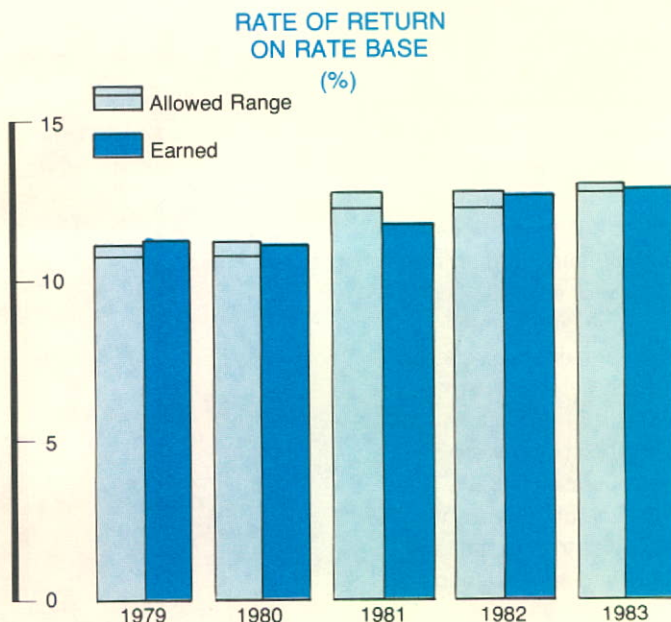
In its report on Hydro's rates the Board recommended that a separate hearing should be held to consider the matter of rate structure. Both the Company and Hydro were directed to prepare estimates of marginal cost-based rates for presentation at a public hearing to be held toward the end of 1984. Work is continuing on preparations for this hearing.

On May 27, 1983 the Newfoundland and Labrador Federation of Municipalities, the principal intervenor in recent Company rate hearings, filed a complaint contending that the al-

lowed rate of return on the Company's common equity could be in excess of that required under market conditions at the time. After an investigation, the Board denied the complaint stating that the rate of return on rate base for 1983 as set out in its Order No. P.U. 47 (1982) was still valid. The Board also stated that the matter of financial return would be considered when next the Company appears before it. The Company expects this matter will be addressed in 1984.

As a result a number of positive factors including favourable weather condi-

tions and the success of the Company's cost control programme increases in operating expenses were restrained in 1983. Consequently revenue for 1983 was in excess of that required to produce a return on average common equity of 17% which the Board set as "appropriate to use in determining a just and reasonable rate of return on average rate base". The Board ordered that the excess of \$1,475,000 be set aside in a Revenue Rebate Account and used as a portion of the Company's 1984 revenue requirement.



# Financial Review

At \$171.3 million, revenue for 1983 was 4.8% higher than in 1982 and this is attributable to increases in rates since actual kilowatt hour sales were marginally below those for the preceding year.

Controllable expenses, which include labour and material costs and administrative and general expenses, were \$27.9 million in 1983 as compared with \$28.5 million in 1982, a decrease of 2.1% which reflects the Company's successful effort to restrain costs. Two thirds of operating expenses are for purchased power which is determined by total electrical load, weather conditions and the price of fuel. This cost increased by 5.0% to a total of \$81.9 million. Depreciation expense increased by 15.0% over the preceding year. The year was characterized by relatively stable interest rates and a continuation of a high level of internally generated funds. This together with restrained capital expenditure held net financing cost to \$12.5 million which is an increase of 9.6% over 1982. Income tax was 45.8% of income before tax compared to 46.2% experienced in 1982. The total tax provision of \$16.3 million was 4.5% higher than 1982.

Net income for the year was \$19.5 million, 8.4% higher than 1982. Preference share dividends required \$3.8 million. The balance of \$15.7 million was applicable to common shares and represented \$3.89 per share on the weighted average of 4,031,842 common shares outstanding throughout the year. This represents an increase of 9.6% over \$3.55 per share earned in 1982. Dividends of \$1.86 per common share totalling \$7.5 million were declared for a payout ratio of 48.0%. The balance of \$8.2 million, representing \$2.03 per share was transferred to retained earnings and reinvested in the business.

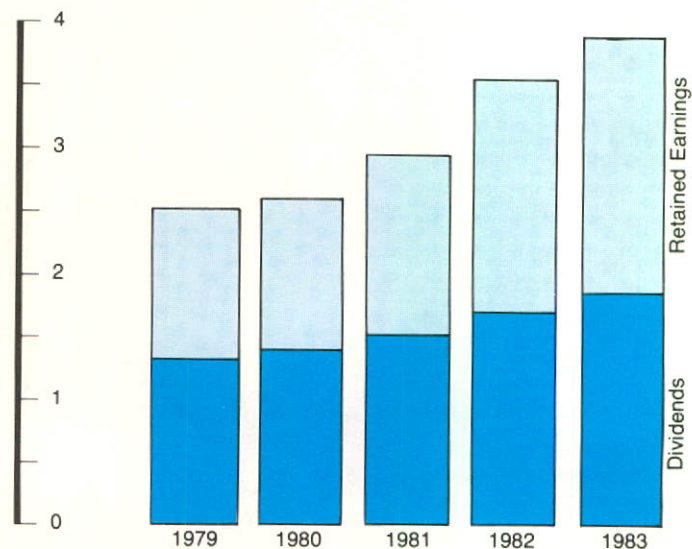
The continuation of depressed economic conditions and the programme of stringent expenditure control reduced capital expenditures from a projected \$36.3 million to \$31.2 million. As was the case in 1982, internally generated funds, mainly from retained earnings, depreciation and deferred income tax, provided for 71% of capital expenditures. There were no new issues of debt securities or preference shares during the year and the balance of capital expenditure requirement came from customer contributions in aid of construction, an increase in bank loans, and the sale of common equity through a number of ongoing share issue programmes.

Operation of the Dividend Reinvestment Plan, and the stock dividend programme covering Class B common shares resulted in the issue of 57,742 shares for a total consideration of \$1,513,736 for a 70.4% increase in investment during the year. The Employee Share Purchase Plan, produced a total investment of \$134,488.

Late in 1982 the Company introduced a Customer Share Purchase Plan. Under this Plan customers, resident in Newfoundland, are entitled to purchase up to \$4,000 annually in shares at average market prices without brokerage fee. The results for the first year of operation were most encouraging. A total of \$889,938 was invested by 1,105 new shareholders in the Province to purchase 33,399 shares. The influx of new common equity from these plans together with the increase in retained earnings contributed to a common equity ratio of 37.8% of total capitalization.

At year end the debt ratio was 46.9% and that of preference shares 15.3%. Interest coverage on total debt in 1983 was 3.7 times compared with 3.8 times in 1982. The coverage of total debt interest and preference dividends was 2.4 times, unchanged from 1982.

**EARNINGS PER SHARE**  
(Dollars)





A total investment of \$890,000 was made by 1,100 new shareholders in the first year of this innovative plan.

For a number of years there has been considerable discussion and debate on need for and methods of measuring the effects of inflation on corporate earnings and financial condition. A universally applicable solution to these very complex problems is still some distance in the future. However a major step toward this goal came with the issue of disclosure guidelines by the Canadian Institute of Chartered Accountants (CICA). These guidelines stressed that initial efforts should be considered as experiments directed toward improvements in methods and presentation which it is hoped will ultimately produce statements that are clearly understood, widely accepted and useful.

The Company's first Supplementary Disclosure reflecting the effects of changing prices (current cost accounting statements) are shown on page 19. They generally conform to the CICA guidelines and contain some commentary on the results. In addition to the current cost accounting statements there is a table of selected financial data covering the years 1979 through 1983. The values shown here are in 1983 dollars arrived at through the use of the December 31 Consumer Price Index for Canada.

### COMMON SHARE PURCHASE PLANS

	Number of Participants	Common Shareholders (%)	Investment
1979			
Dividend Reinvestment	902	16.8	\$385,300
Employee Shares	152	—	82,000
1980			
Dividend Reinvestment	925	17.5	442,400
Stock Dividend	73	—	95,700
Employee Shares	148	—	80,600
1981			
Dividend Reinvestment	976	18.2	512,800
Stock Dividend	81	—	194,100
Employee Shares	172	—	107,200
1982			
Dividend Reinvestment	1,116	21.1	640,800
Stock Dividend	84	—	247,600
Employee Shares	185	—	123,000
1983			
Dividend Reinvestment	1,094	17.6	1,173,500
Stock Dividend	98	—	318,600
Employee Shares	179	—	134,500
Customer Shares	1,105	—	889,900

# Balance Sheet

December 31

1983                      1982

(in thousands)

## Assets

### PROPERTY ACCOUNT

Property, plant and equipment	\$ 378,152	\$ 349,875
Accumulated depreciation	<u>98,155</u>	<u>86,468</u>
	<u>279,997</u>	<u>263,407</u>

### DEFERRED CHARGES

Unamortized debt discount and expense	1,321	1,480
Unamortized capital stock issue expense	<u>1,542</u>	<u>1,664</u>
	<u>2,863</u>	<u>3,144</u>

### CURRENT ASSETS

Cash	86	125
Accounts receivable	19,828	15,807
Inventories of materials and supplies		
at average cost	5,345	6,471
Prepaid expenses	218	241
Deferred fuel account	<u>2,776</u>	<u>1,710</u>
	<u>28,253</u>	<u>24,354</u>

Approved on Behalf of the Board:

*Geoffrey R. Parsons* Director

*A. Dubanion* Director

\$ 311,113                      \$ 290,905

		December 31	
		1983	1982
		(in thousands)	
<b>Shareholders' Equity</b>	<b>SHAREHOLDERS' EQUITY</b>		
	Common shares (Note 1)	\$ 29,329	\$ 26,813
	Contributed surplus	2,147	2,051
	The Capital Redemption Reserve Fund (Note 1)	6,429	5,307
	Earnings retained and invested in the business	59,838	52,793
		<hr/>	<hr/>
	Common shareholders' equity	97,743	86,964
	Preference shares (Note 1)	39,571	40,693
		<hr/>	<hr/>
		137,314	127,657
		<hr/>	<hr/>
	<b>LONG TERM DEBT (Note 2)</b>	107,031	111,027
		<hr/>	<hr/>
	<b>DEFERRED CREDITS</b>		
	Contributions in aid of construction	6,839	6,122
	Contributions — rural electrification system	8,879	9,571
	Deferred income taxes	7,648	7,249
	Weather normalization account	1,367	1,624
		<hr/>	<hr/>
		24,733	24,566
		<hr/>	<hr/>
	<b>CURRENT LIABILITIES</b>		
	Bank loans	10,275	1,750
	Accounts payable and accrued charges	19,408	14,354
	Interest accrued on long term debt	2,668	2,722
	Current installments of long term debt	3,867	2,396
	Income taxes payable	1,428	3,660
	Dividends payable	2,914	2,773
	Revenue rebate account (Note 4)	1,475	
		<hr/>	<hr/>
		42,035	27,655
		<hr/>	<hr/>
		\$ 311,113	\$ 290,905
		<hr/> <hr/>	<hr/> <hr/>

See accompanying notes to financial statements.

## Statement of Income

	Year Ended December 31	
	1983	1982
	(in thousands)	
OPERATING REVENUES (Note 4)	\$ 171,349	\$ 163,477
OPERATING EXPENSES		
Purchased power	81,854	78,041
Other expenses	27,867	28,483
Depreciation	13,519	11,760
	123,240	118,284
OPERATING INCOME	48,109	45,193
FINANCE CHARGES (Note 3)	12,519	11,419
INCOME BEFORE INCOME TAXES AND TRANSFERS	35,590	33,774
INCOME TAXES	16,302	15,602
	19,288	18,172
WEATHER NORMALIZATION ACCOUNT TRANSFERS	258	(147)
NET INCOME	19,546	18,025
DIVIDENDS ON PREFERENCE SHARES	3,847	3,969
EARNINGS APPLICABLE TO COMMON SHARES	\$ 15,699	\$ 14,056
AVERAGE COMMON SHARES OUTSTANDING	4,031,844	3,957,142
EARNINGS PER COMMON SHARE	\$3.89	\$3.55

## Statement of Retained Earnings

	1983	1982
	(in thousands)	
BALANCE AT BEGINNING OF YEAR	\$ 52,793	\$ 46,662
Net income for the year	19,546	18,025
	72,339	64,687
DIVIDENDS		
Preference shares	3,847	3,969
Common shares	7,532	6,746
	11,379	10,715
Transfer to The Capital Redemption Reserve Fund	1,122	1,179
	12,501	11,894
BALANCE AT END OF YEAR	\$ 59,838	\$ 52,793

See accompanying notes to financial statements.

# Statement of Changes in Financial Position

Year Ended December 31

1983

1982

(in thousands)

## Source of Funds

From operations			
Net income		\$ 19,546	\$ 18,025
Non cash items			
Depreciation		13,519	11,760
Amortization of deferred charges		311	304
Deferred income taxes		399	776
Weather normalization account transfers		(258)	147
		<u>13,971</u>	<u>2,987</u>
		33,517	31,012
Contributions in aid of construction		1,062	692
Net proceeds of bond issues			7,424
Proceeds from issue of common shares		2,516	1,012
Increase in bank loans		8,525	
		<u>45,620</u>	<u>40,140</u>

## Application of Funds

Property, plant and equipment		31,233	28,550
Salvage net of dismantling costs and related income taxes		87	29
		<u>31,146</u>	<u>28,521</u>
Decrease in bank loans			1,400
Increase in deferred charges		30	58
Dividends			
Preference shares		3,847	3,969
Common shares		7,532	6,746
Reduction of long term debt		3,996	2,441
Redemption of preference shares		1,025	874
		<u>47,576</u>	<u>44,009</u>
CHANGE IN WORKING CAPITAL		(1,956)	(3,869)
WORKING CAPITAL AT BEGINNING OF YEAR		(1,551)	2,318
WORKING CAPITAL AT END OF YEAR		<u>\$ (3,507)</u>	<u>\$ (1,551)</u>

See accompanying notes to financial statements.

## Summary of Accounting Policies

GENERAL	Accounting policies conform to generally accepted accounting principles and to accounting requirements established from time to time by the Board of Commissioners of Public Utilities of the Province of Newfoundland ("The Board").
REVENUE	The Company's revenue is derived from the sale of electricity in the Province of Newfoundland. Revenue recognition follows an accepted practice in the utility industry whereby monthly sales are recorded on the basis of meter readings made throughout the month. Although each fiscal year includes twelve months electricity sales and costs, at the end of each accounting period there are sales, the cost of which was charged to expense, while the related revenue is not recorded until the following period.
PROPERTY, PLANT AND EQUIPMENT	Utility property, plant and equipment is stated at values approved by the Board as at June 30, 1966 with subsequent additions at cost. Maintenance and repairs are charged against revenue, while renewals and betterments are capitalized. The cost of plant and equipment retired, less net salvage, is charged to accumulated depreciation. For major property disposals, any gain or loss on net depreciated cost is carried to income.
DEPRECIATION	Depreciation is provided in the accounts at classified rates varying from 1.8% to 14.0% on the straight line method based on estimated service life of plant and equipment, as approved by The Board. The composite rate is approximately 3.9% (1982 - 3.7%) before reduction for the amortization of contribution in aid of construction and contributions — rural electrification system.
INTEREST CHARGED TO CONSTRUCTION	On certain construction projects interest at varying rates as set out by The Board is capitalized and included as a cost in the appropriate property accounts.
DEFERRED CHARGES	Deferred charges are amortized as follows: Debt discount and expenses — over the life of each issue. Capital stock issue expense — over a 20 year period from date of issue except Series I preference shares which is amortized over 7 years ending October 1, 1989.
DEFERRED FUEL ACCOUNT	The Company's rate schedule includes a fuel adjustment clause which permits the recovery of differences between actual fuel cost and a cost calculated by using a fixed base unit price. There is, however, a time lag between the periods where these differences occur and the periods in which they are billed to customers and they are deferred until that time to achieve a proper matching between cost and revenue.
VACATION BENEFITS	Vacation benefit costs are recorded only when the vacations are taken by employees. At December 31, 1983 the unrecorded cost of earned but unpaid benefits amounted to \$1.8 million.
FOREIGN CURRENCY TRANSLATION	Debt obligations in foreign currencies are recorded at the Canadian exchange rate prevailing when incurred. Unrealized exchange gains and losses are not recorded. As at December 31, 1983, \$12.5 million Canadian was required to translate foreign currency carried at \$10.2 million. As at December 31, 1982, \$12.6 million was required to translate foreign currency obligations carried at \$10.5 million.
CUSTOMER AND GOVERNMENT CONTRIBUTIONS	Contributions in aid of construction and rural electrification system represent the cost of property, plant and equipment contributed by customers and governments. Certain contributions by the Province of Newfoundland carry conditional options allowing the province to reacquire the plant so contributed. These accounts are being reduced annually by an amount equal to the charge for depreciation provided on the contributed portion of the cost of the assets involved.
DEFERRED INCOME TAXES	The Board by regulation specifies the method of accounting for income taxes. Commencing January 1, 1981, the Board allowed the tax allocation method with respect to the timing difference between depreciation and capital cost allowances for all depreciable assets. If the full tax allocation method of accounting, had always been followed, the cumulative amount of the deferred income tax credit would have been increased by approximately \$29.5 million to December 1, 1983 (1982 - \$26.9 million).
WEATHER NORMALIZATION ACCOUNT	The Board has ordered provision of a weather normalization account to adjust for the effect of variations in temperature and streamflow when measured against long term averages. The balance in the weather normalization account as at December 31, 1983 and the underlying calculations have been approved by The Board.
CHANGES IN FINANCIAL POSITION	The Company's unsecured demand bank loans are considered as non-current liabilities in the statement of changes in financial position.



# Notes to Financial Statements

## 1. CAPITAL STOCK

	December 31, 1983
Authorized	
Common shares without nominal or par value	
Class A convertible	15,000,000
Class B convertible	15,000,000
Cumulative redeemable voting first preference shares of a par value of \$10 each, issuable in series	4,600,000
Cumulative redeemable first preference shares with a par value and voting rights as may be attached to each series at time of issue, issuable in series	5,400,000
Cumulative redeemable second preference shares with par value and voting rights as may be attached to each series at time of issue, issuable in series	1,000,000

The Company's common shares are designated as 15,000,000 Class A convertible common shares without nominal or par value and 15,000,000 Class B convertible common shares without nominal or par value. However, the total issued Class A and Class B shares outstanding at any time cannot exceed in the aggregate 15,000,000 shares. The shares of each class are inter-convertible on a share for share basis and rank equally in all respects including dividends.

Issued and outstanding Common shares	(in thousands)	
	December 31, 1983	December 31, 1982
3,893,951 Class A shares		
188,277 Class B shares		
4,082,228 common shares (3,986,012 common shares December 31, 1982)	<u>\$ 29,329</u>	<u>\$ 26,813</u>

### First preference shares

192,300	5½%	Series A	\$ 1,923	\$ 1,940
339,000	5¼%	Series B	3,390	3,414
18,717	6%	Series C	187	187
338,470	7¼%	Series D	3,384	3,485
400,800	9%	Series E	4,009	4,208
699,850	9.84%	Series F	6,998	7,399
528,000	7.60%	Series G	5,280	5,460
440,000	9⅛%	Series H	4,400	4,600
1,000,000	14¼%	Series I	10,000	10,000
		(4,069,312 preference shares December 31, 1982)	<u>\$ 39,571</u>	<u>\$ 40,693</u>

Common shares were issued during the year as follows:

	Shares	(in thousands)
Dividend reinvestment plan	45,276	\$ 1,196
Stock dividends on Class B	12,466	318
Employee share purchase plan	5,071	134
Customer share purchase plan	33,403	868
	<u>96,216</u>	<u>\$ 2,516</u>

Each series of first preference shares is redeemable at the option of the Company at a premium not in excess of the annual dividend rate, except that certain series may not be redeemed prior to designated dates. The Company is required to redeem on October 1, 1984 and October 1, 1989 any Series I First Preference Shares tendered on or before August 31, 1984 and August 31, 1989, respectively, at a price of \$10 per share plus all accrued and unpaid dividends to October 1, 1984 and October 1, 1989 respectively. Certain series of first preference shares are subject to the operation of purchase and/or sinking funds. The Company has the right to purchase limited amounts of Series D, E, F, G, H, and I at or below par and call limited amounts of Series F and H at par to satisfy the conditions of these funds.

Changes in preference shares during the year were as follows:

	Shares	(in thousands)
Redeemed	<u>112,175</u>	<u>\$ 1,122</u>

The gain on redemption of preference shares (\$95,671) has been credited to contributed surplus.

The par value of preference shares purchased to date in the amount of \$6,429,000 has been set aside from Retained Earnings to The Capital Redemption Reserve Fund in accordance with Section 49 of the Newfoundland Companies Act.

## 2. LONG TERM DEBT

	1983	1982
	(in thousands)	
First mortgage sinking fund bonds:		
5¾% Series E, due 1984	\$ 2,675	\$ 2,675
5¾% Series J, due 1983		963
7% Series K, due 1985	1,318	1,382
6½% Series L, due 1986	776	776
7% Series R, due 1986	4,274	4,274
7¾% Series S, due 1988	2,254	2,454
8% Series T, due 1991	4,752	4,852
11¼% Series V, due 1996	18,345	18,710
11½% Series W, due 1999	5,000	5,000
14¼% Series X, due 1987	7,000	7,000
18¼% Series Y, due 1988	9,900	10,000
17¾% Series Z, due 1990	7,425	7,500
	<u>63,719</u>	<u>65,586</u>
5¾% Series M, due 1990 (U.S. \$2,075,000)	2,241	2,268
8¼% Series U, due 1992 (U.S. \$8,000,000)	7,974	7,974
	<u>73,934</u>	<u>75,828</u>
General mortgage sinking fund bonds:		
9½% Series D, due 1990	3,437	3,437
11¼% Series F, due 1994	14,669	14,894
10½% Series G, due 1997	18,725	18,900
	<u>36,831</u>	<u>37,231</u>

7% Promissory Note (U.S. \$112,987)		114
8½% Bills of Exchange (U.K. £45,079)		98
11% first mortgage on real property	133	152
	<u>133</u>	<u>364</u>
	110,898	113,423
Less: Current installments	3,867	2,396
	<u>\$ 107,031</u>	<u>\$ 111,027</u>

The first mortgage bonds are secured by a first fixed and specific charge on property, plant and equipment owned or to be acquired by the Company and by a floating charge on all other assets.

The annual requirements to meet sinking fund payments, installments and maturing issues of long-term debt outstanding as at December 31, 1983 for each of the years to 1988 are as follows:

	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>
	(in thousands)				
Sinking fund payments and installments	\$ 1,192	\$ 1,175	\$ 1,167	\$ 1,050	\$ 1,024
Maturing issues	<u>2,675</u>	<u>1,298</u>	<u>4,850</u>	<u>6,790</u>	<u>11,534</u>
	<u>\$ 3,867</u>	<u>\$ 2,473</u>	<u>\$ 6,017</u>	<u>\$ 7,840</u>	<u>\$12,558</u>

The trust deeds securing the first mortgage and general mortgage bonds contain conditions precedent which if not met restrict the payment of dividends. At December 31, 1983 these conditions had been met.

### 3. FINANCE CHARGES

	<u>1983</u>	<u>1982</u>
	(in thousands)	
Interest — long-term debt	\$ 12,777	\$ 12,095
— other	252	185
	<u>13,029</u>	<u>12,280</u>
Amortization — debt discount and expense	158	154
— capital stock issue expense	153	150
	<u>311</u>	<u>304</u>
	<u>13,340</u>	<u>12,584</u>
Less: Interest charged to construction	651	505
Discount on bonds purchased for sinking fund	80	323
Interest earned	90	337
	<u>821</u>	<u>1,165</u>
	<u>\$ 12,519</u>	<u>\$ 11,419</u>

### 4. REVENUE REBATE ACCOUNT

The Board has by order determined that during 1983 there was excess revenue of \$1,475,000 and has directed that this amount be taken from 1983 revenue and set aside in the revenue rebate account to be used as part of the Company's 1984 revenue requirement.

### 5. RETIREMENT OF EMPLOYEES

For 1983 and prior years the Company paid income supplements to retired employees which were based on an established arrangement applying to all employees. The cost of these supplements was charged to current operating account with the concurrence of The Board acting under a specific provision contained in the Public Utilities Act. On April 1, 1984 this arrangement will be replaced by a contributory, funded retirement income plan. Under this plan the Company's portion of current service costs as well as the amortization of the unfunded liability for past service credits will be charged to current operating account. The amount of unfunded liability as at April 1, 1984 has not been precisely determined but is estimated to be \$49 million and will be amortized over 25 years.

# Management Report

The management and the Board of Directors of Newfoundland Light & Power Co. Limited are responsible for the accompanying financial statements and other information in this annual report. The financial statements have been prepared in accordance with appropriate generally accepted accounting principles and all other information is consistent with the financial statements.

The Company's system of internal accounting controls is designed to provide reasonable assurance of the reliability of the financial information in this report. These controls are monitored and checked by an internal audit programme.

The financial statements have been examined by the external auditors, Touche Ross & Co. Their role is to render an independent professional opinion on the fairness with which the financial statements, as prepared by management, present the financial position, results of operations, and changes in financial position of the Company. This opinion is based on examinations conducted in accordance with generally accepted auditing standards.

The Audit Committee of the Board of Directors meets with the internal and external auditors, with and without management being present, to discuss auditing, financial reporting and matters concerning internal controls.



President



Vice-President Finance

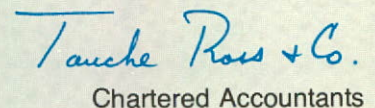
# Auditors' Report

The Shareholders,  
Newfoundland Light & Power Co. Limited

We have examined the balance sheet of Newfoundland Light & Power Co. Limited as at December 31, 1983 and the statements of income, retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Company as at December 31, 1983 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

St. John's, Newfoundland,  
February 22, 1984.



Chartered Accountants

## SUPPLEMENTARY INFORMATION CONCERNING THE EFFECTS OF CHANGING PRICES

The Canadian Institute of Chartered Accountants (CICA) recently issued guidelines on disclosure of the effects changing prices have on corporate earnings and financial condition. The guidelines and accompanying recommendations allow considerable flexibility in content and format and encourage a degree of experimentation.

The unaudited supplementary information which follows has been prepared in accordance with the CICA guidelines and sets forth income applicable to common shares using the operating capability of capital concept. Under this concept the Company must be able to replace property, plant and equipment and inventory as required in the future and still maintain the level of service without impairing the interests of its shareholders. The information includes, by way of annotated footnotes, descriptions of the bases used in arriving at the current cost of the various captions within the statements. The current cost restatement of property, plant and equipment leads to a larger depreciation expense to allow for eventual replacement. The portion of increase in the current cost of assets that is provided by debt holders is not a charge against the shareholder and hence is added back to Net Income as "Financing Adjustment."

The Company considers the information presented to be a reasonable estimate of the effects of inflation on financial performance. It should, however, be pointed out that finance charges and income taxes have been left at their historic costs and that some of the assumptions that underlie the current cost restatements could be considered judgmental. This supplementary information should, therefore be interpreted and used with caution.

### STATEMENT OF INCOME FOR THE YEAR ENDED DECEMBER 31, 1983

(Unaudited)

Historical Cost Basis		Current Cost Basis (in thousands)	
		Operating Capability Concept 1983	1982 (1)
\$ 171,349	Operating Revenues	\$171,349	\$174,623
	Operating Expenses		
81,854	Purchased Power	81,854	83,362
27,867	Other expenses	27,867	30,425
13,519	Depreciation	27,205	27,695 (3)
123,240		136,926	141,482
48,109	Operating Income	34,423	33,141
12,519	Finance Charges	12,519	12,198
35,590	Income Before Income Taxes and Transfer	21,904	20,943
16,302	Income Taxes	16,302	16,666
19,288		5,602	4,277
258	Transfer for Weather Normalization	258	157
19,546	Net Income	5,860	4,120
—	Financing Adjustment	4,475	5,100 (4)
(3,847)	Dividends on Preference Shares	(3,847)	(4,240)
\$15,699	Earnings Applicable to Common Shares	\$ 6,488	\$ 4,980

### Schedule of assets as At December 31, 1983

\$ 5,345	Fuel, material and supplies	\$ 6,107	\$ 7,460 (2)
\$264,279	Property, Plant and Equipment (Net of accumulated depreciation and contributions in aid of construction)	\$504,340	\$507,443 (2)
\$ 97,743	Net Assets (Common Shareholders' Equity)	\$338,607	\$340,241

- (1) Restated to 1983 dollars.
- (2) The current replacement cost for major plant categories was determined by restating historical costs with appropriate indices.
- (3) Depreciation expense was based on the current cost value of the property, plant and equipment and the methodology normally used in preparation of historical cost financial statements.
- (4) The financing adjustment was calculated by applying the Company's current cost debt ratio to current cost adjustments made to income during the year. The financing adjustment based on current cost increases in property, plant and equipment and inventory for the year would be \$5,128 in 1983 and \$12,178 for 1982.

### Other Supplementary Information

The following illustrates general price level changes and reflects the allowances required to maintain the invested capital of the business, i.e. the financial concept of capital maintenance.

	Current Cost 1983	Current Cost (1) 1982
	(in thousands)	
Increase in the Cost of Property, Plant & Equipment and Inventory due to - General Inflation	\$22,781	\$46,551 (2)
- Specific Price Changes	15,682	36,139
Excess of the Effect of General Inflation over Specific Price Changes	<u>\$ 7,009</u>	<u>\$10,412</u>
Gain in Purchasing Power from Net Monetary Items	<u>\$ 7,119</u>	<u>\$15,606 (3)</u>

- (1) Restated to 1983 dollars.
- (2) Increases in current costs due to specific price changes tended to be less than increases due to general inflation. The balance of \$7,009,000 represents the amount by which changes in current cost due to specific price changes was exceeded by the rise in general price levels during 1983.
- (3) The purchasing power gain of \$7,119,000 represents the benefit to the Company of being in a net monetary liability position during a period of general inflation.

Statistics Canada's Consumer Price Index and GNE Implicit Price Deflator were used in the constant dollar calculations.

### SELECTED FINANCIAL DATA CPI ADJUSTED

Since 1981 the Company has presented selected financial data for a five year period adjusted to a current dollars base by the use of the year-end Consumer Price Index for Canada. This material, which is not covered by the CICA guidelines, is meant to give some historical perspective to the ongoing effects of inflation on the company's performance.

	1983	1982	1981	1980	1979
* Operating Revenue	\$171,349	170,908	149,962	157,279	154,062
* Operating Expenses	\$123,240	123,661	108,130	112,853	111,533
* Common Shareholders Equity	\$ 97,743	90,921	89,483	91,786	94,484
* Net Income	\$ 19,546	18,844	16,560	16,259	16,886
Earnings per Share	\$ 3.89	3.71	3.38	3.33	3.57
Dividends Paid per Common Share	\$ 1.83	1.73	1.69	1.79	1.85
Share Price-Close December 31	\$ 29.00	25.09	22.85	28.81	30.61
Book Value per Share	\$ 23.94	22.81	22.77	23.61	24.48
* (thousands of dollars)					
Consumer Price Index Canada December 31	119.6	114.4	104.7	93.4	84.0

The foregoing inflation accounting information is new and in large measure experimental. The Company would appreciate and indeed welcome any comment, criticism and suggestions for improvement that readers care to make. Such correspondence should be addressed to: the Secretary, Newfoundland Light & Power Co. Limited, P. O. Box 8910, St. John's, Newfoundland, A1B 3P6.

# Shareholder Information

	1983				1982				
	Shares	%	Shareholders	%	Shares	%	Shareholders	%	
<b>COMMON SHARE GEOGRAPHIC DISTRIBUTION</b>	Newfoundland	502,851	12.3	2,087	33.0	489,250	12.3	964	18.2
	Maritimes	1,082,769	26.5	2,165	34.3	1,140,325	28.6	2,250	42.6
	Quebec	540,114	13.2	612	9.7	622,728	15.6	640	12.1
	Ontario	1,578,395	38.7	979	15.5	1,318,498	33.1	970	18.3
	Western	350,327	8.6	405	6.4	389,730	9.8	394	7.4
	Total Canada	4,054,456	99.3	6,248	98.9	3,960,531	99.4	5,218	98.6
	Non-Resident	27,772	0.7	70	1.1	25,481	0.6	72	1.4
<b>Total</b>	<b>4,082,228</b>	<b>100.0</b>	<b>6,318</b>	<b>100.0</b>	<b>3,986,012</b>	<b>100.0</b>	<b>5,290</b>	<b>100.0</b>	

The Dividend Reinvestment Plan and stock dividend programme provide a simple and cost free way for holders of common shares in the Company to invest dividends and optional cash payments for the purchase of additional common shares in both Class A and Class B. Shares issued from reinvested dividends are priced at 95% of the average share price on the Toronto Stock Exchange. Shares issued for optional cash payments (\$3,000/quarter) are at the average share price. During 1983, about 1,500 shareholders participated in this plan and invested approximately \$1.2 million.

## COMMON SHARE DIVIDENDS

	1983	1982	1981	1980	1979
Class A & B Common Shares					
Dividends Declared	\$1.86	\$1.70	\$1.525	\$1.40	\$1.325
Dividends Paid	\$1.83	\$1.65	\$1.48	\$1.40	\$1.30

Common share dividends are payable on the first days of March, June, September and December. The Company paid a dividend of \$0.48 per Class A Common Share and equivalent stock dividend per Class B Common Share on December 1, 1983 for an indicated dividend of \$1.92.

## SHARE TRADING SUMMARY (TSE)

	Book Value Per Share	High Market Price	Low Market Price	Volume
1977	\$14.86	\$16	\$12 1/4	212,300
1978	15.99	15 5/8	15 1/4	288,600
1979	17.19	21 1/2	16 3/4	199,600
1980	18.44	26 1/2	17 1/4	326,900
1981	19.93	23 1/2	16 1/2	287,700
1982	21.82	24	17	447,749
1983	First quarter	22.77	28	122,400
	Second quarter	23.72	29	71,300
	Third quarter	23.71	28 3/4	203,100
	Fourth quarter	23.94	30 3/4	49,600

**HEAD OFFICE** Kenmount Road, P. O. Box 8910, St. John's, Newfoundland, A1B 3P6

**TRANSFER AGENT AND REGISTRAR** Montreal Trust Company, St. John's, Halifax, Montreal, Toronto, Calgary and Vancouver

**1984 ANNUAL MEETING** Garrison Room, Hotel Newfoundland, St. John's, Newfoundland on Wednesday, May 2, 1984 at 11:00 a.m.

	1983	1982	1981
<b>INCOME AND EXPENDITURE</b>			
(thousands of dollars)			
Operating revenue	\$171,349	\$163,477	\$131,281
Operating expenses	123,240	106,524	84,252
Finance charges	12,518	11,419	10,973
Depreciation	13,519	11,760	10,408
Income taxes	16,302	15,602	11,052
Balance after preference dividends	15,699	14,056	11,566
Dividends on common shares	7,532	6,746	5,973
Retained in the business	8,167	7,310	5,593
Number of common shares at year end (thousands)	4,082	3,986	3,931
Earnings per common share (\$)	3.89	3.55	2.96
Dividends declared per common share (\$)	1.86	1.70	1.525
Return on Common Equity (%)	17.0	17.01	15.42
<b>BALANCE SHEET DATA</b>			
(thousands of dollars)			
Property, plant and equipment	378,152	349,875	324,690
Accumulated depreciation	98,155	86,468	77,132
Net fixed assets	<u>279,997</u>	<u>263,407</u>	<u>247,558</u>
First mortgage bonds	70,487	74,063	68,373
Other long term debt bank loans and notes payable	46,819	38,714	40,745
Total debt	<u>117,306</u>	<u>112,777</u>	<u>109,118</u>
Preference shares	39,571	40,693	41,873
Common equity	97,743	86,964	78,335
Total capital	<u>254,620</u>	<u>240,434</u>	<u>229,326</u>
<b>OPERATING STATISTICS</b>			
Sources of Energy (millions of kWh)			
Purchased	2,756	2,778	2,574
Generated	397	383	427
Total	<u>3,153</u>	<u>3,161</u>	<u>3,001</u>
Sales (millions of kWh)			
Domestic	626	626	607
Domestic all-electric	1,035	1,050	941
General service all-electric	542	554	465
General service and street lighting	754	741	819
Total	<u>2,957</u>	<u>2,971</u>	<u>2,832</u>
*Customers (year-end)			
Domestic	84,393	85,050	86,120
Domestic all-electric	56,275	52,226	49,012
General service all-electric	4,910	4,634	4,416
General service and street lighting	19,880	19,752	19,828
Total	<u>165,458</u>	<u>161,662</u>	<u>159,376</u>
Annual degree days — St. John's (Celsius)	4,601	5,031	4,428

\* Number of customers has been restated for 1974 to 1982



# Summary

1980	1979	1978	1977	1976	1975	1974
\$122,826	\$108,204	\$ 92,233	\$ 73,469	\$ 60,259	\$ 45,022	\$ 33,921
78,739	69,760	57,960	46,037	37,541	28,214	19,325
9,923	8,574	7,845	8,668	6,945	5,173	3,781
9,393	8,574	7,845	6,702	5,582	4,695	3,846
11,188	8,230	5,803	3,076	2,434	1,533	2,208
10,075	9,644	9,098	7,338	6,093	4,546	3,815
5,428	5,105	4,788	3,819	2,777	2,237	1,978
4,647	4,539	3,540	3,402	3,055	2,152	1,837
3,888	3,861	3,837	3,817	3,057	2,775	2,472
2.60	2.51	2.38	2.35	2.17	1.81	1.54
1.40	1.325	1.25	1.10	0.95	0.85	0.80
14.60	15.10	15.41	14.95	15.92	14.01	13.22
294,950	272,585	254,760	238,008	210,611	181,178	153,492
68,943	61,513	53,921	48,608	42,251	40,240	37,598
<u>226,007</u>	<u>211,072</u>	<u>200,839</u>	<u>189,400</u>	<u>167,360</u>	<u>140,938</u>	<u>115,894</u>
53,404	55,317	50,838	53,623	54,337	34,916	36,578
49,052	48,834	51,714	43,062	32,807	43,383	21,623
102,456	104,151	102,552	96,685	87,144	77,299	58,201
33,041	28,844	23,601	24,371	24,488	14,749	14,905
73,058	66,754	61,852	57,382	42,298	35,998	30,721
<u>208,555</u>	<u>199,749</u>	<u>188,005</u>	<u>178,438</u>	<u>153,930</u>	<u>128,046</u>	<u>103,827</u>
2,597	2,503	2,446	2,286	2,077	1,870	1,507
462	359	378	332	380	340	390
<u>3,059</u>	<u>2,862</u>	<u>2,824</u>	<u>2,618</u>	<u>2,457</u>	<u>2,210</u>	<u>1,897</u>
608	589	591	598	611	619	579
966	881	878	801	715	526	350
464	463	430	386	385	313	264
810	757	723	684	587	535	512
<u>2,848</u>	<u>2,690</u>	<u>2,622</u>	<u>2,469</u>	<u>2,278</u>	<u>1,993</u>	<u>1,705</u>
86,655	86,468	86,506	87,493	87,722	90,155	91,681
45,365	42,312	39,215	35,377	30,571	23,001	15,767
4,090	3,813	3,484	3,096	2,674	2,203	1,735
19,631	19,443	19,344	19,036	18,694	18,037	17,345
<u>155,741</u>	<u>152,036</u>	<u>148,549</u>	<u>145,002</u>	<u>139,661</u>	<u>133,396</u>	<u>126,528</u>
5,095	4,641	5,088	4,808	4,805	5,099	5,112

A TEN YEAR FINANCIAL STATISTICAL SUMMARY  
 CONTAINING ADDITIONAL INFORMATION IS AVAILABLE UPON REQUEST FROM:  
 THE SECRETARY  
 NEWFOUNDLAND LIGHT & POWER CO. LIMITED.  
 P. O. BOX 8910, ST. JOHN'S, NEWFOUNDLAND A1B 3P6

# Corporate Directory

## Directors

### **AARON BAILEY†\***

Port Union, Newfoundland  
Chairman of the Board  
Newfoundland Light &  
Power Co. Limited

### **ALASTAIR D. CAMERON, M.B.E.†**

Montreal, Quebec  
Vice-President,  
Montreal Engineering  
Company, Limited

### **HENRY COLLINGWOOD\***

St. John's, Newfoundland  
Chairman and  
Chief Executive Officer,  
Baine, Johnston & Co. Ltd.

### **JOHN B. FOOTE**

Grand Bank, Newfoundland  
Chairman and  
Chief Executive Officer,  
J.B. Foote & Sons, Ltd.

### **DONALD C. McLEOD**

Toronto, Canada,  
Vice-President,  
Merrill Lynch Canada Inc.

### **ALBERT E. O'REILLY**

Montreal, Quebec  
Assistant Manager,  
Management Consulting Division,  
Montreal Engineering Company

### **GEOFFREY R. PARSONS†\***

Regina, Saskatchewan  
President, Lakeview Limited

### **EWART A. PRATT**

St. John's, Newfoundland  
Chairman and President,  
Steers Limited

† Executive Committee

\* Audit Committee

### **G. NEVILLE C. RIVINGTON**

Montreal, Quebec  
Group Vice-President,  
Montreal Engineering  
Company, Limited

### **JAMES E. RORKE**

Carbonear, Newfoundland  
Senior Officer,  
The Rorke Fish & Coal Company, Limited

### **AIDAN F. RYAN**

St. John's, Newfoundland  
Vice-President and General Manager  
Newfoundland Light & Power  
Co. Limited

### **HAROLD R. STEELE**

Gander, Newfoundland  
President and  
Chief Executive Officer,  
Newfoundland Capital Corporation Limited

### **DAVID S. TEMPLETON†**

St. John's, Newfoundland  
President,  
Newfoundland Light & Power  
Co. Limited

### **CLYDE K. WELLS, Q.C.**

St. John's, Newfoundland  
Barrister and Solicitor,  
Wells and Company

### **MARSHALL M. WILLIAMS**

Calgary, Alberta  
President and  
Chief Executive Officer,  
TransAlta Utilities Corporation

## Officers

### **AARON BAILEY**

Chairman of the Board

### **ALASTAIR D. CAMERON, M.B.E.+**

Deputy Chairman

### **DAVID S. TEMPLETON**

President

### **AIDAN F. RYAN**

Vice-President and General Manager

### **GEORGE J. ADAMS**

Vice-President Finance

### **JOHN G. EVANS**

Vice-President Planning and  
Construction

### **CHARLES W. HENRY**

Vice-President Operations

### **MICHAEL A. PAVEY**

Vice-President Corporate Planning

### **CECIL R. VIVIAN**

Vice-President Rates and  
Customer Services

### **KEVIN S. WARR**

Vice-President-Treasurer

### **RAYMOND F. GOSINE**

Secretary

### **H. BARRIE CURTIS**

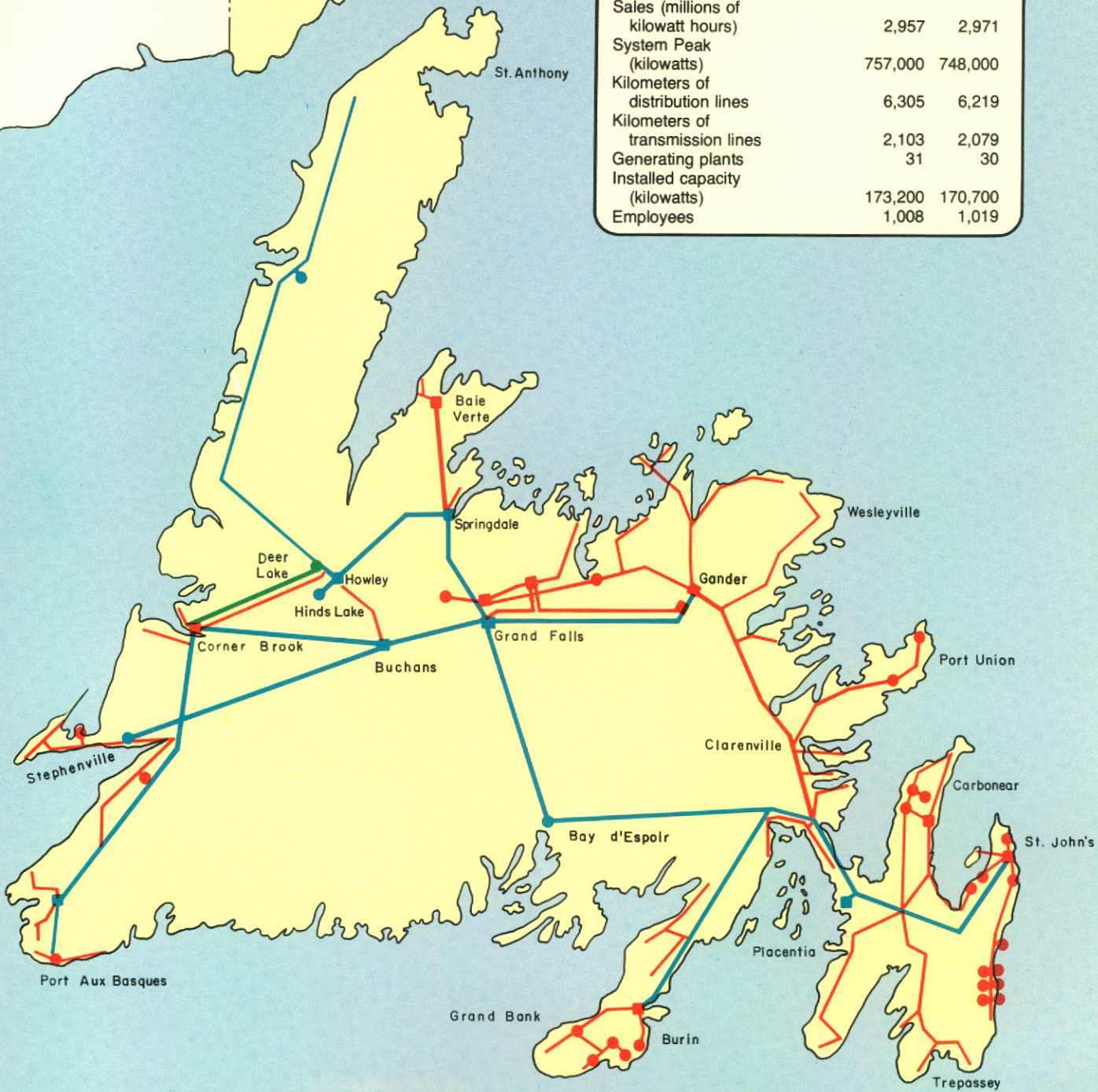
Assistant Secretary-Treasurer

+ Resigned December 31, 1983

LABRADOR

**COMPANY INFORMATION**

	1983	1982
Number of customers	165,458	161,662
Sales (millions of kilowatt hours)	2,957	2,971
System Peak (kilowatts)	757,000	748,000
Kilometers of distribution lines	6,305	6,219
Kilometers of transmission lines	2,103	2,079
Generating plants	31	30
Installed capacity (kilowatts)	173,200	170,700
Employees	1,008	1,019



- Newfoundland Light & Power Co. Limited ■
- Newfoundland and Labrador Hydro ■
- The Bowater Power Company Limited ■
- Power Plants ● ● ●
- Lines — — —

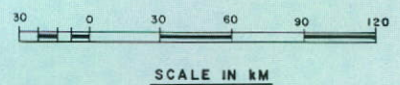


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**NEWFOUNDLAND LIGHT & POWER  
CO. LIMITED**